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C O N F I D E N T I A L SECTION 01 OF 02 BEIJING 003633

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E.O. 12958: DECL: 09/19/2033
TAGS: [PREL](#) [MARR](#) [MOPS](#) [CH](#) [TW](#)
SUBJECT: BEIJING-BASED TAIWAN EXPERTS COMMENT ON POSSIBLE
U.S. ARMS SALES TO TAIWAN

Classified By: Political Minister Counselor Aubrey Carlson. Reasons 1.
4 (b) and (d).

Summary

11. (C) In September 18 meetings with PolOff, two senior PRC Taiwan experts claimed that U.S. arms sales to Taiwan would undermine the "fragile" progress made recently in cross-Straits relations. One expert claimed that U.S. arms sales at this time would be like "dropping a bomb" in U.S.-China relations. The other expert pointed out that a major arms package would convince many in China that the United States does not genuinely support closer cross-Straits ties. He admitted, however, that the sale of "rational" defense items would have little impact on U.S.-China or cross-Straits relations. The experts agreed that the security situation across the Strait has improved since Taiwan President Ma Ying-jeou assumed office, but argued that more significant security adjustments, such as a drawdown of missiles deployed opposite Taiwan, would only follow the establishment of greater mutual trust and closer economic relations. Both argued that Ma's approval rating in Taiwan depends mostly on economic performance, but one expert acknowledged that Ma needs to demonstrate that he is defending Taiwan's security in order to counter criticism that he is "selling out" Taiwan to the Mainland. End Summary.

Arms Sales Will Disrupt "Fragile" Cross-Straits Ties

12. (C) In separate meetings on September 18, Liu Zhentao (protect), Director of Tsinghua University's Institute of Taiwan Studies, and Sun Shengliang (protect), Director of the Economics Department at the Chinese Academy of Social Sciences' Institute of Taiwan Studies, discussed with PolOff the impact of possible U.S. arms sales to Taiwan. Liu, a former official at the State Council Taiwan Affairs Office, said that China is raising particularly strong opposition to possible U.S. arms sales at this time because U.S.-China relations and cross-Straits relations are going so well. Ma Ying-jeou's recent steps, repudiating former Taiwan President Lee Teng-hui's "special state-to-state" formula and not seeking UN membership for Taiwan, are "significant breakthroughs" and have done much to further enhance trust in cross-Straits relations. Liu argued, however, that this progress is "very fragile," and U.S. arms sales at this time would "mess up" the situation and "weaken trust," thereby undermining cross-Straits relations. On a personal note, Liu said that he and his institute are working on number of economic and trade-related programs with Taiwan, and he feared that this would be a "wasted effort" if the United States sells arms to Taiwan at this time.

13. (C) CASS' Sun noted Taiwan media reports of September 18

pointing out there is not enough time left in the U.S. Congressional calendar to approve new arms sales to Taiwan this year. If the reports are accurate, he said, this development would be the best thing for cross-Straits relations. He noted that Association for Relations Across the Taiwan Strait (ARATS) President Chen Yunlin will be making a groundbreaking trip to Taiwan in late October that will give the two sides the opportunity to deepen economic cooperation and mutual trust. Up to forty percent of the Taiwan population is opposed to Chen's visit, however, and street demonstrations to protest the visit may occur. With this backdrop, U.S. arms sales could disrupt cross-Straits relations and put plans for the next round of ARATS-Straits Exchange Foundation (SEF) talks at risk.

Impact on U.S.-China Relations

14. (C) Tsinghua's Liu stated that U.S. arms sales to Taiwan at this time would be like "dropping a bomb" in the relationship. He argued that the Chinese people would be adamantly opposed and would view the United States as "two-faced," given President Bush's show of good will in attending the Olympic Games. The Chinese Government would have difficulty dealing with the public outcry stemming from such a decision. Liu argued that sales of advanced weapons would encourage Taiwan's "Deep Greens" to support former President Chen Shui-bian's "offshore defense" strategy, which includes the acquisition of advanced weapons. Liu posited that the U.S. strategy on managing cross-Straits relations has been "very successful" over the past year and questioned why

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Washington would want to "disrupt the balance" by approving additional arms sales at this time. Zheng Zhenqing, a postdoctoral fellow at Liu's institute, said U.S. arms sales would result in a bigger Chinese military buildup creating a "security dilemma" for the United States.

15. (C) CASS' Sun said debate continues in China about whether the United States genuinely supports an improvement in cross-Straits relations. A major arms package that included items such as F-16 aircraft would convince many in China that the United States views China as a strategic foe and wants to block cross-Straits progress. Liu admitted, however, that some of alleged seven items (not specified) in the U.S. "basket" of arms under consideration make sense for Taiwan's defense and probably would help Ma domestically. If Ma were to pursue these more "rational" defense articles, China's protest would likely be pro forma and there would be little or no impact on cross-Straits or U.S.-China relations.

Cross-Straits Security Situation is Relaxed

16. (C) Both Liu and Sun said that the cross-Straits security situation has quietly improved since Ma assumed office. They noted that China has not increased missile deployments and that military exercises in the region were low key this year, facts that have been publicly acknowledged by Taiwan. They praised Ma's decision to put off development of a 1000km-range cruise missile, play down the annual Han Kwang exercise, and reverse the "offshore defense" strategy of his predecessor. Liu claimed a drawdown of Mainland missile forces is on the table, but would clearly be impossible if the United States sold weapons to Taiwan. Sun said the Chinese military is not ready to remove missiles because of the formal continuation of the "state of hostility" across the Strait, but said that adjustment on security issues could follow improvements in economic ties and increased trust between the two sides.

Does Ma Need to Enhance Taiwan's Security?

17. (C) Asked about Ma's need to demonstrate that he can

defend Taiwan's security, both experts argued that economic issues are the key to Ma's approval ratings and that criticism on sovereignty issues is a byproduct of Taiwan's poor economy. Liu bluntly stated, "Ma needs to get public opinion on his side, not more weapons." Ma knows, Liu argued, that the Mainland will not attack him as long as he does not declare Taiwan independence. Sun agreed that Ma's approval rating is largely linked to the economy, and said that the Mainland is eager to help him in this regard. Sun differed from Liu, however, on the relationship between arms purchases and support for Ma, saying that Ma will need to continue to buy "rational" U.S. weapons, both to uphold his campaign promises and to confront critics who say he is "selling out" Taiwan to the Mainland.

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